



**COUNCIL PRESIDENT PRO TEM KEVIN L. FAULCONER
CITY OF SAN DIEGO
SECOND DISTRICT**

M E M O R A N D U M

DATE: December 8, 2009
TO: Councilmember Tony Young
FROM: Council President Pro Tem Kevin L. Faulconer
SUBJECT: Budget Priorities for Fiscal Years 2011

Earlier this year I issued my budget priorities memorandum for the 2010 fiscal year. At that time we knew we were facing a difficult year. During the subsequent seven months, the economic realities became more severe. This, coupled with our structural budget deficit, has left us in an unenviable position. Now, more than ever before, we must be creative in the ways in which our City delivers vital services to residents. We must continue to move forward on the structural changes this Council has implemented over the last year, and we must understand that the status quo in the City of San Diego is no longer adequate.

Most importantly, we need to face these harsh realities sooner rather than later. The Mayor has proposed an 18-month budget that begins the process of implementing the steps necessary to reaching the end goal of streamlined and efficient City operations. I believe the Mayor acted quickly and responsibly. His proposal includes numerous structural changes as well as service cuts, and creates a leaner workforce.

I commend both the Mayor and the Independent Budget Analyst for providing the Council and the public with the necessary information to make informed decisions. While City residents will notice the effects of these recommended actions, any delay in implementation will lead to deeper cuts in the future. As well, we must understand this is not the last step in reforming services.

While reviewing the proposed budget, I was pleased to see the City's auditing function maintained. Our City Auditor has consistently conducted performance audits of various departments that have led to recommendations that are expected to save the City millions of dollars. This continued scrutiny is needed to ensure the services being delivered to residents are effective and efficient.

Our step-by-step implementation of reforms allows us to pursue other opportunities that may have not been explored by previous administrations. The City has utilized various public-private partnerships that have produced tremendous results. I believe these partnerships can be expanded to allow other departments to partner with companies to produce sponsorships of various programs otherwise funded by the City. It has recently come to my attention the City lifeguards are investigating the possibility of a sponsorship to fund training programs. I encourage the Mayor and other departments to begin this same exploration.

Lastly, I encourage the Mayor and my colleagues to build upon the reform efforts that were implemented earlier this year. It is important that we continue to pursue pension and healthcare reforms that would further reduce our unfunded liabilities. We must do everything we can to address these massive debts. While the solutions may be limited, the Council should be continually notified of any new information so that we may act in an expeditious manner. I believe these solutions also include the implementation of managed competition. Since a managed competition guide has yet to be approved, the Mayor, City Attorney and Council must work through the obstacles that have delayed this voter-mandated program.

KF/cjc

cc: Honorable Mayor Sanders
Honorable City Council Members
Andrea Tevlin, Independent Budget Analyst